



**UNITED STATES RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092**

FORM RRB-1042S Tax Statement General Information

The Form RRB-1042S tax statement(s) enclosed is issued by the U.S. Railroad Retirement Board (RRB) and represent(s) the payments made to you in the tax year(s) indicated on the tax statement(s). You will need to determine if any of the railroad retirement payments made to you are taxable. Explanations of items on the Form RRB-1042S are found on the back side of this explanation sheet.

Form RRB-1042S reports the Social Security Equivalent Benefit (SSEB) portion of tier 1 paid and repaid to nonresident aliens and the related U.S. Federal income tax withheld. SSEB and special guaranty payments are similar to social security benefits and are treated as social security for U.S. Federal income tax purposes. Railroad retirement payments are **not** taxable for state income tax purposes.

NOTE: You should have received Form SSA-1042S and Notice 703 from the Social Security Administration (SSA) if you also received social security benefits for the tax year indicated on the Form RRB-1042S. Contact the SSA if you need Form SSA-1042S and Notice 703.

Our records indicate that you are a nonresident alien. A nonresident alien is an individual who is neither a citizen nor resident of the United States, Guam, the U. S. Virgin Islands, Puerto Rico or the Northern Mariana Islands. Taxes should have been withheld from your railroad retirement benefit payments in the tax year indicated on your tax statement(s), unless exempt under a tax treaty to which the United States is a party. You are **not** required to file a U.S. Federal income tax return if: **(1)** your entire tax liability was fulfilled by withholding of tax on benefits; **(2)** your only income from sources within the United States was not connected to a trade or business; and **(3)** the correct amount of tax for the correct period was withheld. However, you may wish to file an income tax return to receive a refund if too much tax was withheld from these payments. **If your country of legal residence changed or your rate of tax changed during a given tax year, you may receive more than one Forms RRB-1042S and/or RRB-1099-R.** If you were also a resident of the United States during a given tax year, you may receive Forms RRB-1099 and/or RRB-1099-R, and be required to file Form 1040, U.S. Individual Income Tax Return. **If you are required to file an income tax return, a negligence penalty or other sanction may be imposed on you if the income is taxable and the Internal Revenue Service (IRS) determines that it has not been reported.** For more information on filing requirements for aliens, refer to **IRS Publication 519, U. S. Tax Guide for Aliens.**

There are two boxes located at the top left hand side of the Form RRB-1042S tax statement indicated as **CORRECTED** or **DUPLICATE**. One of these boxes is checked when either a corrected or duplicate Form RRB-1042S is prepared. Both boxes are checked if the Form RRB-1042S is a duplicate of a previously corrected Form RRB-1042S. Neither box will be checked if this is an original Form RRB-1042S. You may receive more than one Form RRB-1042S for the tax year indicated. Each Form RRB-1042S is valid and should be included when you file your income tax return for the tax year indicated. However, do **not** use the original Form RRB-1042S when you file your income tax return if you received a duplicate or corrected Form RRB-1042S for that same tax year.

You may also receive Form RRB-1099-R tax statement(s) in addition to Form RRB-1042S. Form RRB-1099-R reports the taxable amount of and U.S. Federal tax withheld from, the Non-Social Security Equivalent Benefit (NSSEB) portion of tier 1, tier 2, vested dual benefit (VDB), and supplemental annuity payments. Follow the **Instructions for Form 1040 and/or Form 1040A Booklet(s)** to determine your taxable amount. For more information, get **IRS Pub. 575, Pension and Annuity Income**, or **IRS Pub. 939, General Rule for Pensions and Annuities**, to determine your taxable amount.

The totals reported on your Form RRB-1042S may **not** equal the total amount of SSEB payments received during the tax year indicated. For beneficiaries receiving Medicare, the difference may be the total amount of Medicare premiums paid during the tax year indicated. Amounts shown on tax statements issued by the RRB are **before** any deduction for Medicare. Effective for tax years 1997 and later, the RRB may show the total Part B Medicare premiums that were deducted from railroad retirement annuity payments for the tax year indicated on Form RRB-1042S. The Medicare premium total is normally shown on Form RRB-1042S. However, if Form RRB-1042S is **not** required for your taxes, then the Medicare premium total will be shown on Form RRB-1099-R. Medicare premium refunds will **not** be included in your Medicare premium total. If you paid Medicare premiums by direct billing or your Medicare premiums were deducted from your social security benefits or paid by a third party, your Medicare premium total will **not** be shown on your Form RRB-1042S.

If you have any questions about how to figure your taxable payments and/or what amounts to show on your income tax returns, contact your own tax preparer or the IRS. However, questions about railroad retirement benefit payments should be referred to the RRB. When contacting the RRB about your Form RRB-1042S, always give the claim number and payee code shown in Box 1 of your Form RRB-1042S. The recipient's identification number in Box 2 of the Form RRB-1042S is the social security number for the person listed as the recipient. You should contact your **nearest** RRB field office for **local** assistance with your inquiries. You may call the RRB at (312) 751-3320. In addition, you may E-Mail us with your inquiries at taxation@mcs.com and may visit us on the Internet at <http://www.rrb.gov>.

You may want to photocopy and retain this Form RRB-1042S for income verification and record keeping purposes.

Please be sure the RRB always has your current mailing address.

COMPUTER MATCHING AND PRIVACY PROTECTION ACT NOTICE

The Computer Matching and Privacy Act of 1988 requires the RRB to periodically advise you that information you have provided may be used, without your consent, in automated matching programs. These matching programs are a computer comparison of RRB records with records kept by other Federal, state, or local governmental agencies. Information from these matching programs can be used to verify a person's eligibility for federally funded or administered benefit programs and for repayment of payments or delinquent debts under these programs.

EXPLANATION OF ITEMS ON FORM RRB-1042S

BOX 3 - GROSS SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID IN THE YEAR SHOWN ABOVE - This amount is the total SSEB or special guaranty benefits paid to you during the tax year indicated. It includes any SSEB or special guaranty benefits paid to you during the tax year that were for prior years. This amount is **before** workers' compensation offset, if any, shown in Box 6.

BOX 4 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 REPAID TO RRB IN THE YEAR SHOWN ABOVE - This amount is the total SSEB or special guaranty benefits you repaid to the RRB during the tax year indicated. It includes any SSEB or special guaranty benefits you repaid during the tax year that were for prior years.

BOX 5 - NET SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID IN THE YEAR SHOWN ABOVE - This total is the amount in Box 3 *minus* the amount in Box 4. A figure in parenthesis is a negative amount. This means that you repaid the RRB more than you received or were entitled to receive during the tax year indicated. If you received more than one Form RRB-1042S for the same tax year, a negative figure in Box 5 of Form RRB-1042S can be used to offset a positive figure in Box 5 of the other Form RRB-1042S for the same tax year. This offset cannot be done if the Form RRB-1042S represents more than one tax year.

BOX 6 - WORKERS' COMPENSATION OFFSET IN THE YEAR SHOWN ABOVE - This amount is for informational purposes. If there is an amount in this box, it is also included in Box 3.

BOX 7 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID FOR ONE YEAR PRIOR TO THE YEAR SHOWN ABOVE - This amount is the SSEB or special guaranty benefit that was paid for **one** year prior to the tax year indicated, **but was not paid** until the tax year indicated on the tax statement. This amount is included in Box 3.

BOX 8 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID FOR TWO YEARS PRIOR TO THE YEAR SHOWN ABOVE - This amount is the SSEB or special guaranty benefit that was paid for **two** years prior to the tax year indicated, **but was not paid** until the tax year indicated on the tax statement. This amount is included in Box 3.

BOX 9 - SOCIAL SECURITY EQUIVALENT BENEFIT PORTION OF TIER 1 PAID FOR THREE YEARS PRIOR TO THE YEAR SHOWN ABOVE - This amount is the SSEB or special guaranty benefit that was paid for **three** years or more prior to the tax year indicated, **but was not paid** until the tax year indicated on the tax statement. This amount is included in Box 3. The entire tier 1 benefit paid prior to 1986 is treated as SSEB. If a breakdown of this amount by year is needed, contact the RRB.

BOX 10 - COUNTRY - An entry in this item indicates the country of which you are a legal resident for U.S. Federal income tax purposes during the period covered by this Form RRB-1042S.

BOX 11 - RATE OF TAX - An entry in this item indicates the rate at which U.S. Federal income tax was withheld on the SSEB or special guaranty payments that were paid during the period covered by this Form RRB-1042S.

BOX 12 - FEDERAL INCOME TAX WITHHELD - This is the total amount of U.S. Federal income tax withheld from the SSEB or special guaranty benefit payments that were paid during the period covered by this Form RRB-1042S.

BOX 13 - MEDICARE PREMIUM TOTAL - This is the total amount of Part B Medicare premiums deducted from your railroad retirement annuity payments during the tax year indicated. This amount is for informational purposes and only applies to tax years 1997 and later. **If your Form RRB-1042S is for a tax year prior to tax year 1997, this box item will not be filled even though you had Medicare premiums deducted from your railroad retirement annuity payments during that same tax year prior to tax year 1997.** Medicare premium refunds will not be included in the Medicare total. The Medicare total is normally shown on Form RRB-1042S. **However, if Form RRB-1042S is not required for the tax year indicated, then the Medicare total will be shown on Form RRB-1099-R. If your Medicare premiums were deducted from your social security benefits; paid by a third party; and/or you paid the premiums by direct billing, your Medicare total will not be shown in this box item.**